

# ANDRÉ JACQUE

STATE REPRESENTATIVE • 2<sup>nd</sup> ASSEMBLY DISTRICT

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**Testimony on AB 456  
Committee on Ways and Means  
January 12, 2012**

Chairwoman Kerkman and members of the Ways and Means Committee,

Thank you for holding this hearing on Assembly Bill 456, and for the opportunity for my staff to present this testimony on my behalf. I am pleased to bring this legislation forward at the unanimous request of the Denmark Village Board, whose resolution to that effect is attached to the written copy of my testimony.

AB 456 makes a minor, but essential, change to Denmark's Tax Increment Financing District (TID) #1, which is required by statute to close by 2017. This bill does not delay the termination deadline for this TID, but simply extends the period for eligible expenditures by two years as a result of uncertain road reconstruction costs for the village's main thoroughfare and pending business park development. With a current expenditure maturity date of September 6<sup>th</sup> of this year, the Village does not believe it will be possible to escrow or borrow sufficient funds for these projects prior to the expenditure deadline.

While it predates my legislative service, I understand that at least three other communities in the state have been granted such a statutory adjustment in a non-controversial and bi-partisan way, most recently for Racine as 2009 Wisconsin Act 66, which I am hopeful will continue. While communities may seek extensions for both the overall length of the TID and its allowable expenditure period, Denmark has requested additional time only for eligible expenditures.

Again, thank you on behalf of my constituents for your consideration of Assembly Bill 456.

RESOLUTION #12- 2011A

**WHEREAS**, Once a Tax Incremental District (TID) has been created, the Dept of Revenue calculates the "tax increment base value" of the TID, which is the equalized value of all taxable property within the TID at the time of its creation. If the development in the TID increases the value of the property in the TID above the base value, a "value increment" is created. That portion of taxes collected on the value increment in excess of the base value is called a "tax increment". The tax increment is placed in a special fund that may be used only to pay back the project cost of the TID. The cost of a TID, which are initially incurred by the creating city or village, include public works such as sewers, streets, and lighting systems; financing costs; site preparation costs; and professional service cost.

**WHEREAS**, DOR authorizes the allocation of the tax increments until the TID terminates or, generally, 20 years, 23 years, or 27 years after the TID is created, depending on the type of TID and the year in which it was created. Under certain circumstances, the life of the TID and the allocation period may be extended. Also under current law, a city or village may not generally make expenditures for project cost later than five years before the unextended termination date of the TID..In 2009 the City of Racine needed additional time for expenditures to be covered by TID funds and successfully introduced legislation (ACT 66;AB 174 and SB 132) to extend the expenditure period of their TID

**WHEREAS**, the Village of Denmark is currently confronting a similar need and therefore is respectfully requesting consideration from it's members of the Wisconsin State Senate and Legislature. Under the proposed bill, for TID Number 1 in the Village of Denmark, the 27 year life of the TID would remain the same but the expenditure period would be extended from September 5, 2012 to December 31<sup>st</sup>, 2014.

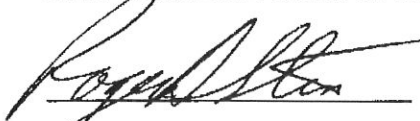
**NOW THEREFORE BE IT RESOLVED BY THE VILLAGE OF DENMARK AS FOLLOWS:**

The Denmark Village Board of Trustees respectfully request the Wis. State Senate & Legislature to amend Wis. State Stat 66.1105 Municipal Law section (6) (am) to create Sub 2.e. to read as follows:

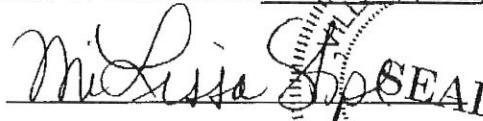
**66.1105(6) (am) 2.e Expenditures for project costs for Tax Incremental District Number 1 in the Village with a population of 2127 that is located in a county that was created in 1818 and that is adjacent to one of the Great Lakes. Such expenditures may be made no later than 25 years after the tax incremental district is created, and may be made through December 31, 2014.**

BE IT FURTHER RESOLVED THAT the Denmark Village Clerk/Treasure forward this resolutions to State Senator Frank Lasee and State Representative Andre Jacque

ADOPTED AND APPROVED BY THE DENMARK VILLAGE BOARD OF TRUSTEES ON December 5, 2011



Roger Stein, Village President



Attest: MiLissa Stipe, Village Clerk

